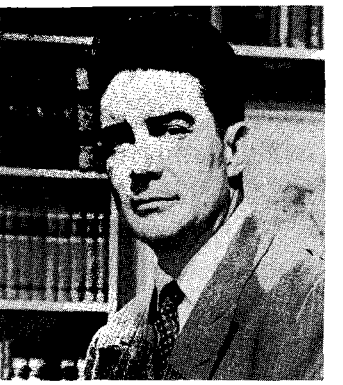
THE
Dan Smoot Report

Vol. 12, No. 33 (Broadcast 573) August 15, 1966 Dallas, Texas



DAN SMOOT

ROBOTS OR FREE MEN?

by General of the Army Douglas MacArthur

Twenty-one years ago (August 14, 1945), Japan surrendered, ending World War II. The towering figure of one man dominated the events of that eventful day: General of the Army Douglas MacArthur, the greatest man of the twentieth century. MacArthur's ability as a soldier was, as British Field Marshal Viscount Alanbrooke said, "in a class of its own." As a man of peace, MacArthur was also unequalled. After the little man from Missouri ended General MacArthur's military career, the General sounded the call to arms for Americans to restore the crumbling foundations of their Republic. One of his last major speeches was delivered on July 30, 1957. He sent me an advance copy of that speech, and I published it on August 12, 1957. I republish it (now in slightly abbreviated form), because it is an even more important warning to Americans today than it was nine years ago.

Taxes are the largest single item in the cost of living. Americans pay for government more than they spend on food, clothing, medical care and religious activities combined.

When you buy a dozen eggs you pay at least one hundred tiny taxes which do not appear on your bill. There are 151 taxes on a loaf of bread, at least as many and maybe more on a pound of beefsteak, a box of soap, a can of beans.

Billions a year are drained off which should be invested in new or enlarged enterprises or spent on the products of these enterprises.

There seems to be no restraint in this lust for taxes. It began with the federal income tax which gave unlimited access to the people's wealth, and the power for the first time to levy taxes not only for revenue but for social purposes. Since then, the sphere of government has increased with a kind of explosive force.

Thomas Jefferson's wise aphorism, "That government is best which governs least," has been tossed into the waste basket with ridicule and sarcasm.

THE DAN SMOOT REPORT is published weekly by The Dan Smoot Report, Inc., Box 9538, Dallas, Texas 75214 (office at 6441 Gaston Ave.). Subscriptions: $18.00 for 2 years; $10.00, 1 year; $6.00, 6 months; first class, $12.50 a year; airmail, $14.50. Dan Smoot was born in Missouri, reared in Texas. With BA and MA degrees from SMU (1938 and 1940), he joined the Harvard faculty (1941) as a Teaching Fellow, doing graduate work in American civilization. From 1942 to 1951, he was an FBI agent; from 1951 to 1955, a commentator on national radio and television. In 1955, he started his present independent, free-enterprise business: publishing this REPORT and abbreviating it each week for radio and TV broadcasts available for commercial sponsorship by business firms.

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Whether we want it or not, we pay now for almost unlimited government: a government which limits our lives by dictating how we are fed and clothed and housed; how to provide for old age; how the national income, which is the product of our labor, shall be divided among us; how we shall buy and sell; how long and how hard and under what circumstances we shall work.

There is only scorn for the one who dares to say, "The government should not be infinite."

The Russian dictator, Lenin, that implacable foe of the free enterprise system, predicted as early as 1920 that the United States would eventually spend itself into bankruptcy.

Karl Marx, patron saint of communism, while planning the destruction of all constitutional government, said:

"The surest way to overturn the social order is to debauch the currency."

He referred, of course, to the process of inflation, induced by extreme taxation; the process of 'planned economy'; the process of controlling economic conditions and thereby controlling the lives of individuals — control of fiscal, monetary and general economic forces which produces higher prices and a gradual devitalizing of the purchasing power of money.

The continuing rise in the cost of living is due to our drift deeper and deeper into inflation until today our whole economic, social and political system is infected by an inflationary mentality which approaches a point where the very foundations of our structure are threatened.

"Taxation," with its offspring, inflation, said Lenin in support of the basic thesis of Karl Marx, "is the vital weapon to displace the system of free enterprise" — the system on which our nation was founded; the system which has made us the most prosperous people in all history; the system which enabled us to produce over half of the world's goods with less than one-seventh of the world's area and population; the system which gave our people more liberty, privileges and opportunities than any other nation ever gave its people in the long history of the world.

Excessive taxation produces results somewhat resembling the evils of slavery and serfdom in days of old.

To illustrate: the government takes in taxes over a third of the income of the average citizen each year.

This begins to resemble the Soviet forced labor system. It reduces the citizen for protracted periods to involuntary servitude. It is the modern counterpart of the slavery and serfdom of preceding centuries.

We will be fortunate if it does not finally reduce individuals to the universal status of robots.

The present tax structure is even now probably adequate eventually to socialize the United States. Our tax-take is already greater than that of the admitted national socialistic countries, whether on this or the other side of the Iron Curtain. The effects may not yet be fully evident to the superficial eye, but the erosion of incentive, ingenuity and integrity that results will be as deadly as the hidden cancer is to life. It can in time change the basic character of this great nation as it has every other nation where it has become indelibly affixed.

Our tax system has resulted in a creeping inflation which has devitalized the American dollar. Those who suffer most from such fiscal debasement are the men of small means — those living on fixed incomes, wages, annuities or pensions, especially the working man.

But inflation does even more than debauch a nation's morals. It creates a false illusion of prosperity; it discourages thrift and honest effort; it encourages the kind of speculation that expects something for nothing.

History shows how difficult it is for a nation to recover once it is in the sway of an irredeemably depreciating currency. The tendency is for prices to go higher and higher, the value of money to go lower and lower.

The inflationary forces which undermine the Western world of today are the same forces

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which were at work 1700 years ago during the decline of the Roman Empire. Just as in Rome, our civilization is living beyond its means. It is living more and more for the moment, trying to anticipate today the pleasures of tomorrow. Why save, asks the citizen, if savings are likely to be expropriated through taxes and inflation?

Even though tax receipts continue to increase, total public spending continues to exceed revenues. Literally dozens of welfare projects little understood by the general public are hidden in the more than one thousand pages of the budget which has grown so big that nobody has any clear idea how much waste it actually contains.

The national budget is but the guesswork of a small group of individuals, temporarily gathered in Washington by administrative assignment, whose previous training and experience have little to do with acquiring any specific knowledge of the nation's need. Each one, engrossed with the super-importance of his own function and power, estimates a maximum that he deems he can utilize, irrespective of extravagance.

The sum of these, with some modification, becomes the budget.

The problem of a balanced budget faces the head of every household. It is simply, how much can be spent safely on living expenses?

It is the same problem with government, with the vital difference that government spenders dispense not their own money, but money taken from others by taxation.

But what a monumental difference this makes! Instead of being frugal, one becomes lavish. Instead of being conservative, one becomes radical. Temptation assails one from every angle. Ambition becomes very human, indeed. The pressure of political currents, the blandishments of powerful lobbies, the allurements of expanding horizons, the disease of power, all play their potent part.

I know from actual experience these frailties. For five years, I made up the budget for the Army and Air Corps when I was the Chief of Staff. The estimates submitted to me were astronomical compared to the moneys available without borrowing; but, it may interest you to know that the largest yearly budget I put in for the Army and Air Force, which were then combined, was approximately four hundred million dollars. Yet, I can say confidently that the security of the United States was as safe then as now.

Our swollen budgets constantly have been misrepresented to the public. Our government has kept us in a perpetual state of fear — with the cry of grave national emergency. Always there has been some terrible evil at home or some monstrous foreign power that was going to gobble us up if we did not blindly rally behind it by furnishing the exorbitant funds demanded.

Yet, in retrospect, these disasters seem never to have happened, seem never to have been quite real.

Another of the great illusions is that the government gives the people free much of what they get from its services. I am convinced that the average citizen has no idea who pays for big government and how much. The painful truth is this: the government produces nothing of itself. Whatever it spends for people it must previously take from the people in the form of taxes.

Moreover, whenever the government gives a service to people, it must at the same time take away from the people the right to provide and decide for themselves. And the amount which government doles back to the people or spends to promote welfare is always only a fraction of what it takes away, because of the excessive cost of governmental administration.

It is the little people who pay the largest part of the bill. Eighty-five percent of all the billions of dollars paid in personal income taxes comes from the lowest rate — though it has been suggested that one reason for the steep graduation of the income tax is to make the public think that people with high incomes pay most of the taxes.

It is another illusion to think that excessive rates of a graduated income tax tend to redistribute the wealth. It merely prevents its accumulation and thereby blocks expansion of the nation's

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economic strength. The very source of new and better jobs thus disappears.

But, even greater issues are involved than I have yet mentioned.

The contest for ages has been to rescue liberty from the constantly expanding grasp of governmental power. The great patriots of the American Revolution revolted not so much against the actual taxes imposed upon them by a British King, as against the concept of government behind the taxes: the concept that government had unlimited power to do what government thought proper. They had a deep suspicion that government, if permitted, would waste the labors of the people and ultimately curtail the power of the people, always under the pretense of taking care of the people. That is why they tried to bind the government down with the modest restrictions of a Constitution, limiting the government's powers to the performance of carefully specified responsibilities.

There are many who have lost faith in this early American ideal and believe in a form of socialistic, totalitarian rule, a sort of big-brother deity to run our lives for us. They no longer believe that free men can manage their own affairs. Their central thesis is to take your money away from you on the presumption that a handful of men, centered in government, largely bureaucratic, not elected, can spend the proceeds of your toil and labor to greater advantage than you who create the money.

Nowhere in the history of the human race is there justification for this reckless faith in political power. It is the oldest, most reactionary of all forms of social organization. It was tried out in ancient Babylon, ancient Greece and ancient Rome; in Mussolini's Italy, in Hitler's Germany, and in all communist countries.

Wherever and whenever it has been attempted, it has failed utterly to provide economic security, and has generally ended in national disaster.

It embraces an essential idiocy, that individuals who, as private citizens, are not able to manage the disposition of their own earnings, become in public office supermen who can manage the affairs of the world.

The old American philosophy of government more effectively promoted the ideal of human freedom, with greater material abundance for more people, than any social system ever propounded: freedom to live under the minimum of restraint — freedom to make your own mistakes if you will.

The fundamental and ultimate issue at stake therefore is not merely our money, it is liberty, itself; the excessive taxation of an overgrown government versus personal freedom; a least common denominator of mediocrity against the proven progress of pioneering individualism; the free enterprise system or the cult of blind conformity; the robot or the free man.

THE BONDAGE OF THE FREE

Massive and prolonged propaganda has given American whites a guilt complex about Negroes. Most whites who know, or instinctively feel, that the civil rights movement is a threat to our civilization have been shamed into silence.

THE BONDAGE OF THE FREE (a 381-page book by Kent H. Steffgen) explains this strange, dangerous situation; gives a history of the civil rights movement; tells who originated the movement and why; predicts bloody consequences for the nation if something is not done; tells what can be done.

Convinced of the importance of this book, I urge you to order it and distribute it widely. 1 copy, $1.00; 5 copies, $3.75; 10 copies, $7.00; 25 copies, $16.75; 50 copies, $32.50; 100 copies, $60. Please send checks with orders, to The Dan Smoot Report, P. O. Box 9538, Dallas, Texas 75214.

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